

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Alex Gurza  
Jeffrey L. Clet  
Larry Lisenbee

**SUBJECT:** Staff Report on Hurricane Katrina Relief and Recovery Actions **DATE:** September 19, 2005

Approved



Date 9/20/05

## RECOMMENDATION

- (a) Acceptance of staff report on initial cost assessments to send additional public safety personnel as requested by FEMA to assist with rescue and recovery efforts in the Gulf Coast Region, and to provide leave time for City Employees skilled to respond and assist with recovery and rebuilding efforts in the Gulf.
- (b) Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Red Cross in an amount not to exceed \$500,000 to support relief and recovery assistance as a result of Hurricane Katrina.
- (c) Adoption of a resolution extending the current City of San Jose enhanced military leave program related to terrorist attacks to City employees who are called to active military duty to provide services for Hurricane Katrina relief and recovery efforts.
- (d) Adoption of the following 2005-2006 appropriation ordinance amendments in the General Fund:
  - (1) Establish an appropriation in City-Wide to the City-Manager for Santa Clara Valley Red Cross Hurricane Katrina Relief in the amount of \$500,000.
  - (2) Decrease the Contingency Reserve by \$500,000.

## BACKGROUND

On September 13, 2005, City Council approved several actions in response to the Hurricane Katrina disaster, with specific direction to the City Manager to report back to the City Council with an initial cost assessment and recommendation for funding regarding the following items:

- (1) Direct the City Manager to send additional public safety personnel as requested by FEMA to assist with rescue and recovery efforts in the Gulf Coast region. Resources deployed should be based on specific requests from FEMA, through the State of California or the activation of mutual aid plans.

## **BACKGROUND (cont'd.)**

- (2) Delegate authority to the City Manager to approve leave time for City employees skilled to respond and assist with recovery and rebuilding efforts in the Gulf Coast, based on FEMA emergency response needs and requests through appropriate professional associations. The City Manager should work with the Agency Director and the City Attorney to identify employees with skills who might be available for such services.

The City Council approved a donation of \$500,000 to the Santa Clara Valley Red Cross to support relief and recovery assistance locally in response to the Hurricane Katrina disaster. The City manager was directed to return with appropriation actions related to this donation.

In addition, City Council also directed the City Manager to expand the City's Military Leave Program to include City employees who are called up and deployed through the National Guard or Reserve to assist with Hurricane Katrina recovery and relief efforts.

The purpose of this memo is to provide City Council with information and staff recommendations related to the items noted above.

## **ANALYSIS**

### **Public Safety Personnel**

The City of San José Fire Department is a member of the Department of Homeland Security, Federal Emergency Management Agency (FEMA) California Task Force # 3. In the aftermath of Hurricane Katrina, FEMA requested the San José Fire Department's assistance in New Orleans, Louisiana. In total, the Task Force #3 is deployed with 70 total personnel, six (6) of whom are members of the San José Fire Department. Task Force members are normally deployed for two (2) weeks. However, in the case of this deployment, the Task Force has been assigned for approximately three (3) weeks. It is anticipated that the members of the San José Fire Department who proudly represent the City of San José, San Jose Fire Department, and Task Force will return on September 21, 2005.

In addition to the Task Forces that have been deployed, FEMA also requested, through the United States Fire Administration, 1,000 two-person teams for thirty (30) day deployments to work as FEMA Community Relations Disaster Employees. The creation of these teams and the way they were requested was outside the normal Mutual Aid OES request process. Nonetheless, the United States Fire Administration went to the Fire Service to mobilize a group of qualified personnel. The San José Fire Department has deployed four (4) teams for a total of eight (8) personnel, and offered up an additional four (4) teams for a total of eight (8) additional personnel. It is expected that these first four (4) teams will return on September 30, 2005. To date, the additional four (4) teams have not been requested.

### **ANALYSIS (cont'd.)**

The San José Fire Department has also received a request from FEMA for Public Information Officers (PIO), Fire Engineers to drive vehicles back to the effected areas. In addition, the New Orleans Fire Department, through the International Association of Fire Chiefs (IAFC) has requested that members of the San José Fire Department Critical Incident Stress Management (CISM) Team as well as Chief Officers be available if necessary upon request. It is unknown if the specific deployment for the above personnel will be necessary.

FEMA is reimbursing the City for a majority of the costs incurred as a result of these deployments. Currently, the FEMA-reimbursed costs are estimated to total approximately \$700,000. However, their reimbursement is anticipated to fall short of the total cost to the City by as much as \$100,000. Related General Fund appropriation actions and revenue resolutions for these deployments will be brought forward as part of the 2005-2006 Mid-Year Budget Review process.

### **Leave Time for City Employees**

City employees may possess special skills that would be invaluable in the Hurricane Katrina relief and recovery efforts. However, currently volunteer organizations such as FEMA are requesting that people who wish to volunteer do so by contacting their local American Red Cross and that they do not attempt to go to the devastated areas on their own. According to the American Red Cross, people wishing to volunteer with the relief efforts will receive training as well as an assessment of physical and mental health prior to being deployed to the disaster sites. Additionally, volunteers will typically be deployed to assist in the efforts for time periods of nine (9) days to two (2) weeks.

Given the above information, it is recommended that employees who volunteer through the American Red Cross related to the Hurricane Katrina relief and recovery efforts, be allowed up to thirty (30) calendar days of paid leave upon Department approval. Department approval will be contingent upon an assessment of any service delivery impacts as well as overtime costs that may be required as a result of an employee's absence. The thirty (30) calendar days of paid leave time will commence upon the deployment of the employee by the American Red Cross. During this time, employees will be considered to be volunteering for the American Red Cross or FEMA, and therefore will not be considered to be providing services for the City of San Jose. It is recommended that employees have the opportunity to volunteer their time until June 30, 2006.

Regardless, such employees would continue to receive their regular bi-weekly compensation and be permitted to continue most benefits through regular paycheck deductions during their paid absence.<sup>1</sup> Continued benefits include health coverage (medical, dental, vision, and EAP) and insurance coverage (life, long term disability, accident, long term care, and AFLAC), as well as flexible spending account, deferred compensation, and retirement plan participation. The City's

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1. Employees who volunteer beyond their 30 days of paid leave will be subject to any leave continuation limitations outlined under the City's insurance contracts and group policies. Currently, leave period restrictions only apply to the City's life, long term disability, and accident insurances. Employees may continue their other coverages indefinitely (including medical, dental, and vision) as long as premium payments continue while on leave. Similar provisions already apply to activated military reservists participating in the Supplemental Military Leave program.

### **ANALYSIS (cont'd.)**

Worker's Compensation benefits will not continue since employees participating in this program will be considered to be on leave as American Red Cross or FEMA volunteers.

### **Supplemental Military Leave**

To the extent that City employees are called to active duty with the National Guard or Reserve to aid in the Hurricane Katrina relief effort, the City Council approved expanding the City's current Military Leave Program to include employees called to duty for Hurricane Katrina relief efforts, as this would provide salary and benefits continuation for such employees. Such employees will be held to the current obligations under the Military Leave Program for enhanced supplemental pay and benefits.

### **Leave Donations**

The IRS has announced a special relief to encourage leave donation programs for victims of Hurricane Katrina. The relief allows employees to donate their vacation leave in exchange for cash payments which can be made to "qualified tax-exempt organizations providing relief to Hurricane Katrina victims" such as the American Red Cross Hurricane Katrina Relief Operation. The leave that employees donate will not be included in their annual income, and are therefore considered tax-exempt. However, employees donating leave will not be able to claim the cash value of the donated leave as a charitable contribution deduction.

Currently, management employees have the option of selling back up to eighty (80) hours of earned, unused vacation time. It is recommended that such employees be given the option to designate some or all of these hours to be donated to the Hurricane Katrina relief efforts. Additionally, staff is currently in the process of exploring the option of accepting non-management employee donations of vacation time equal to one (1) day of vacation, with a maximum cost of \$100,000.

### **Santa Clara Valley Red Cross Donation**

At the September 13, 2005, City Council meeting, a donation up to \$500,000 to the Santa Clara Valley Red Cross to support relief and recovery assistance locally in response to the Hurricane Katrina disaster was approved. This funding commitment was to be connected to the opening of a local evacuee assistance and recovery center, or in meeting the needs of registered FEMA evacuees arriving in San Jose. In addition, the contribution was to be held in a designated fund for the local Red Cross to be used when their local funds for this purpose have been exhausted. Funding for this donation is recommended to be provided by a reduction to the General Fund Contingency Reserve.

### **COST IMPLICATIONS**

Fire Department additional costs for FEMA related deployments are currently estimated to total up to approximately \$800,000, of which \$700,000 is estimated to be reimbursed to the City.

### **COST IMPLICATIONS (cont'd.)**

Related General Fund appropriation actions and revenue resolutions for these deployments will be brought forward as part of the 2005-2006 Mid-Year Budget Review process.

The 2005-2006 Adopted Operating Budget already provides full salary and benefits for employees. Therefore, no additional appropriations will be required to fund the above recommendations of allowing employees paid leave to volunteer or expanding the City's current Military Leave Program, since these personnel costs are already budgeted. However, direct costs result from lost productivity and any overtime or backfilling required to fill the positions of employees called to active duty or who volunteer. It should be noted that for employees who volunteer through the Red Cross, overtime costs will be a factor in the department's decision to allow an employee paid leave time to volunteer.

Funding necessary for the Leave Donation Program of up to \$100,000 is recommended to be brought forward as part of the 2005-2006 Mid-Year Budget Review as necessary.

Funding for the donation of up to \$500,000 to the Santa Clara Valley Red Cross in response to the Hurricane Katrina disaster is recommended to be provided by a reduction to the General Fund's Contingency Reserve.

### **PUBLIC OUTREACH**

Not applicable.

### **COORDINATION**

This memorandum was coordinated with the City Attorney's Office and Employee Services.

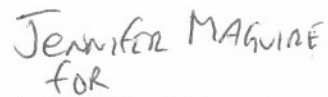
The expansion of the supplemental military leave pay and/or benefits and the allotment of up to thirty (30) calendar days of paid leave are subject to the meet and confer process under the Meyers-Milius-Brown Act. Communication was provided to the bargaining unit representatives and to date no objections have been received about these efforts to assist with Hurricane Katrina relief. If the City Council adopts the recommendation, the approval would have to be contingent upon the approval of the City labor organizations.



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